



State Board of Equalization

News Release

Vice Chairman Jerome E. Horton

4th District – Los Angeles

Ramon J. Hirsig
Executive Director
www.boe.ca.gov

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Jerome E. Horton Says California's 4th Quarter 2008 Taxable Sales Declined 12% *Los Angeles Declined by 11.6%*

Jerome E. Horton, Vice Chairman of the Board of Equalization (BOE), announced today that taxable sales in California decreased 12 percent in the fourth quarter of 2008, reflecting impacts of the national recession.

California's taxable sales totaled \$127.9 billion in the fourth quarter of 2008, down \$17.4 billion from the fourth quarter of 2007. This is the sixth straight quarter of declines in taxable sales, lasting longer than either of the recessions of 1991 or 2001. Income continued to be much stronger than taxable sales, a trend in evidence since early 2007.

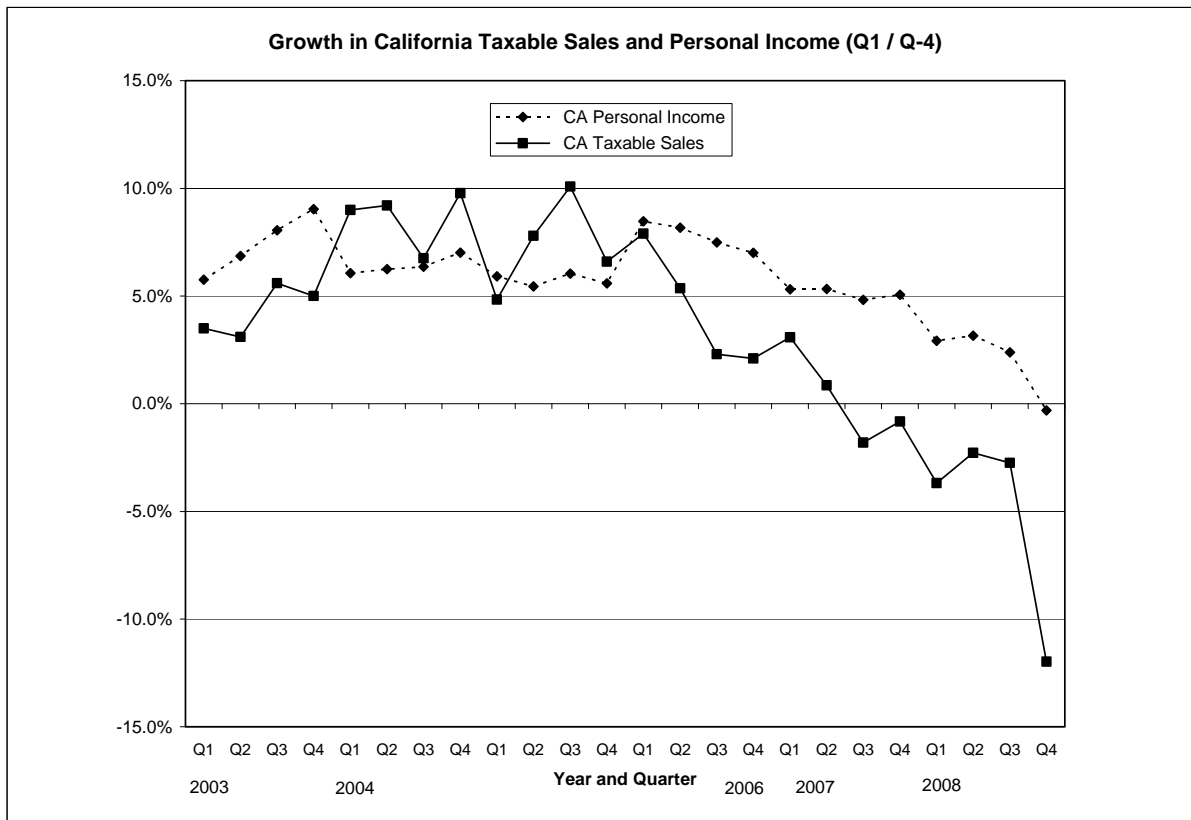
Fourth quarter taxable sales in the State's largest city (by population) Los Angeles declined by 11.6 percent from the previous year, a slower decline than the state average. Long Beach, the State's sixth largest city (by population), turned in the best performance of the 10 largest cities, dropping only 2.9 percent from the previous year.

In constant dollar terms, taxable sales decreased by 11.1 percent over the same quarter a year ago. The California Taxable Sales Deflator measured an inflation rate of -0.9 percent for the fourth quarter of 2008. By comparison, the California CPI rose by 1.8 percent.

Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties from the first quarter of 2000 through the fourth quarter of 2008 and can be viewed on the BOE website at: www.boe.ca.gov/news/tsalescont.htm.

View all Taxable Sales in California for the fourth Quarter of 2008 here:
www.boe.ca.gov/news/tsalescont08.htm

Editor's Note: Please see attached chart comparing California taxable sales and personal income from the first quarter of 2003 through the fourth quarter of 2008.



Note: In early 2007, the California State Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes. Over one million permit holders will be converted over time from the previous business coding system to the NAICS codes. As a result of the coding change process, industry data for 2007 and 2008 are not comparable. Therefore, the BOE will not publish percentage changes by industry until the coding process has been substantially completed.

Vice Chairman Jerome E. Horton is the 4th District Member of the BOE, representing more than 8.5 million residents in Los Angeles County. He is also the BOE Legislative Committee chair. Horton is the first African American to serve on the BOE since its inception in 1879, and the third African American constitutional officer in California's history. Horton was appointed by the Governor and confirmed by both the Assembly and the Senate in 2009. Horton previously served as an Assembly member from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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